

## Message Text

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ACTION AF-06

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-01 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-03

SP-02 SS-15 STR-01 TRSE-00 FRB-03 /077 W

----- 008305

R 040910Z MAR 75

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 1539

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E.O. 11652: N/A

TAGS: ENRG, CG

SUBJ: MOBILE/TEXACO COMPENSATION

REF: (A) KINSHASA 1332

1. TEXACO REP SOETERMANS, INFORMS US THAT DISCUSSIONS WITH COMPENSATION COMMISSION (FEB 17-21) WERE BASICALLY FRIENDLY WITH NONE OF THE HOSTILITY REPORTED EARLIER BY MOBIL. OTHERWISE, TALKS FOLLOWED SAME PATTERN WITH GOZ DEMANDING REAMS OF DOCUMENTS AND TAKING POSITION THAT ULTIMATE COMPENSATION WOULD BE BASED ON UNADJUSTED BOOK VALUE SHOW ON 1973 BALANCE SHEETS, PAYABLE OVER 10 YEARS.

2. ONE TWIST IN TEXACO TALKS WAS EARLY ACCUSATION BY GOZ SIDE THAT TEXACO, UNLIKE OTHER OIL COMPANIES, HAD FAILED TO FOLLOW 1966 LAW REQUIRING ALL FOREIGN COMPANIES TO TRANSFER THEIR HEADQUARTERS (SIEGE SOCIAL) TO ZAIRE. TEXACO PRODUCED GOZ WAIVER DATED 1967 AND A SECOND CONFIRMATION OF WAIVER DATED 1970. COMPENSATION COMMISSION RECOGNIZED THESE PROOFS, BUT CONTINUED TO WONDER WHY TEXACO HAD NOT FOLLOWED OTHER OIL COMPANIES.

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SOETERMANS NOT SURE OF GOZ INTENT IN RAISING THIS ISSUE,

BUT SUSPECTS IT HAS TO DO WITH AMOUNT OF FOREIGN CAPITAL  
BROUGHT IN BY TEXACO.

3. WE HAVE ALSO TALKED WITH LEONARD OF MOBIL AGAIN  
AND HE CONFIRMS THAT GOZ REFUSES TO ACCEPT 1963 AND  
1968 REVALUATION OF ASSETS. ALTHOUGH TEXACO REVALUED  
ONLY ONCE, AFTER 1967 DEVALUATION, THEY TOO WERE TOLD  
THIS UNACCEPTABLE. BOTH MOBIL AND TEXACO TOLD THAT  
LAND NOT COMPENSABLE SINCE IT ALL BELONGS TO STATE, AND  
IN MOBIL'S CASE GOZ TOOK POSITION THAT REAL PROPERTY  
AT MOBIL COMPOUND IS PART OF "CONCESSION" AND THUS NOT  
COMPENSABLE. LEONARD THINKS THIS CAN BE STRAIGHTENED  
OUT.

4. LEONARD SAYS ATMOSPHERE AT TALKS IMPROVED TOWARD  
END OF MOBIL WEEK, AND MOBIL WAS TOLD THEY WOULD BE  
CALLED BACK IN SECOND HALF OF MARCH "TO SIGN". TEXACO  
WAS TOLD THEY WOULD BE CALLED BACK AT END OF MARCH,  
EARLY APRIL--NO MENTION OF SIGNING. OUR GUESS IS THAT  
COMPENSATION COMMITTEE WILL REPORT TO MINISTER OF MINES  
AND EXECUTIVE COMMITTEE ON RESULTS FIRST ROUND AND  
THEN WILL COME BACK TO TABLE IN EARLY APRIL WITH  
MORE REQUESTS FOR INFORMATION. BUT THEN MAYBE WE'RE TOO  
PESSIMISTIC.  
HINTON

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NNN

## Message Attributes

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